



Department of
**Environment &
Conservation**

Non-Title V Fee Third Webinar

June 15, 2018

Topics Covered

- Stakeholders & Agency Collaboration
- APC Cost Saving Initiatives
- Updated Revenue and Expense Projections
- Non-Title V Fee Strawmen
- How to Provide Input
- Website

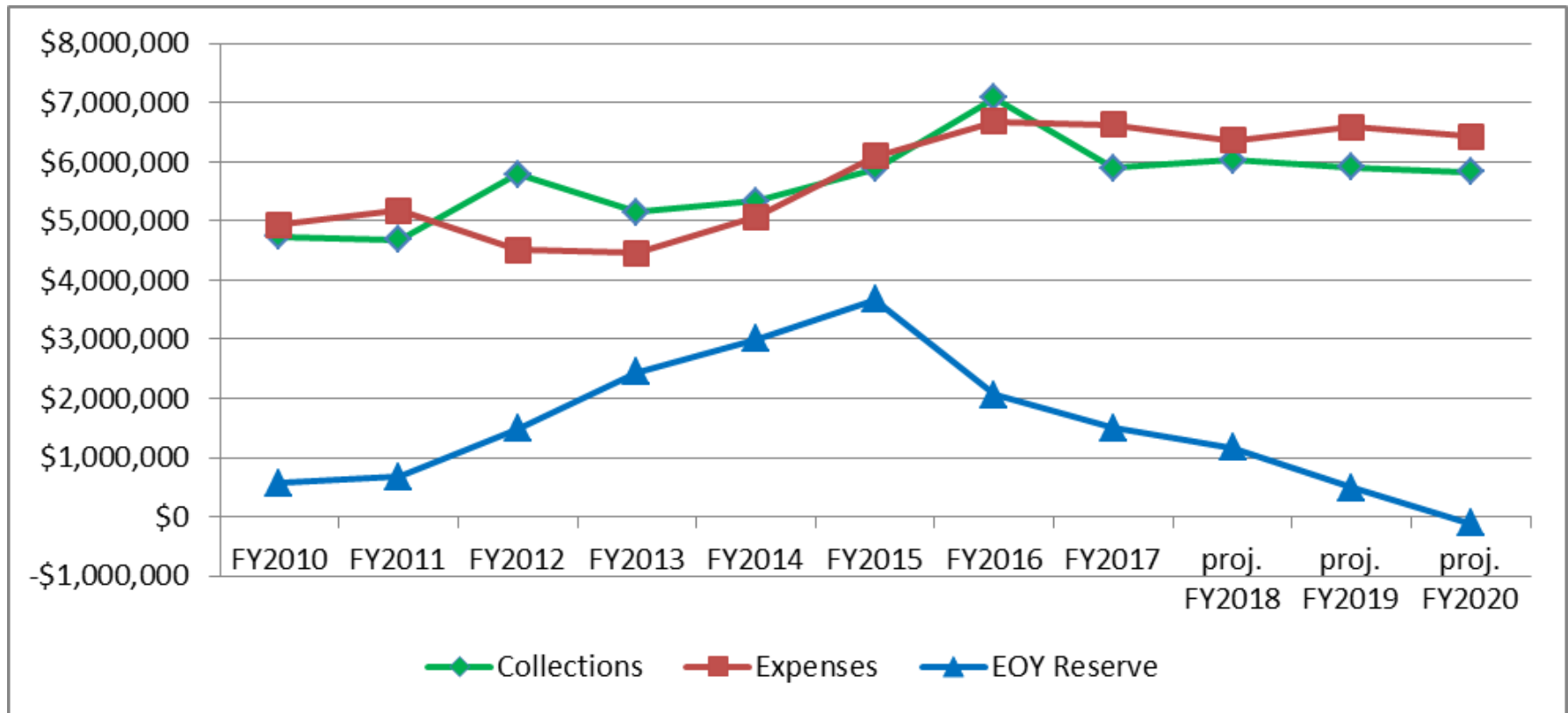
Stakeholders & Agency Collaboration

- Previous webinars
- Initial Survey
- Comments received via email and during our webinars

Cost Saving Initiatives

- Participation in Statewide Alternative Workplace Solutions Pilot Project
 - Preliminary results show an increase of productivity
 - Real estate cost savings to be realized upon leases ending or renegotiation
- Select staff positions will remain unfilled due to personnel retirements
- Maintain a staff vacancy rate of 16% through FY2019
 - Fill only limited positions to ensure vital services are provided and succession plans are maintained
- Diligent review of monthly expense reports to ensure accuracy
- Evaluation of all aspects of APC operations to find efficiencies and savings
 - Reorganization to Sector-based Permitting
 - Permit-by-rule & General Permit
- Reduction of staff travel not related to critical work functions

Historical and Projected Income vs. Expenses and End-of-Year Reserve*



*Updated with revenue and expense data as it becomes available



Strawmen

Strawman #1

Variable Base and Variable Conditional Major Review Fees

	Current	Strawman #1
Annual Emissions Fee	\$18.75/ton	\$18.75/ton
Annual Conditional Major Review Fee	\$250 to \$2,000, depending on allowable emissions	\$1,000 to \$5,000, depending on allowable emissions
Annual Base Fee	None	\$250 to \$1,000 per facility, depending on allowable emissions
Construction Permit Fee	\$100 to \$5,000 per application, depending on emissions listed in application	\$200 to \$5,000 per application, depending on emissions listed in application
Modification Permit Fee	50% of Construction Permit Fee, depending on emissions listed in application, not to exceed \$500	50% of Construction Permit Fee, depending on emissions listed in application, not to exceed \$2,500

Strawman #1

Variable Base and Variable Conditional Major Review Fees

- Developed with Assistance from TDEC Small Business Ombudsman

Fee System Statistics	Current Fee System	Strawman #1
Average Annual Fee - True Minor Source*	\$1,097/yr	\$1,502/yr
Minimum Annual Fee - True Minor Source*	\$186/yr	\$436/yr
Maximum Annual Fee - True Minor Source*	\$22,160/yr	\$23,160/yr
Average Annual Fee - Conditional Major Source**	\$3,220/yr	\$5,606/yr
Minimum Annual Fee - Conditional Major Source**	\$436/yr	\$1,436/yr
Maximum Annual Fee - Conditional Major**	\$11,592/yr	\$14,592/yr

*Current System Includes Emissions Fee; Strawman Includes Emission Fee + Base Fee

**Current System Includes Emission Fee + CM Review Fee; Strawman Includes Emission Fee + Base Fee + CM Review Fee

Strawman #2

Flat Base Fee and Variable Conditional Major Review Fee

	Current	Strawman #2
Annual Emissions Fee	\$18.75/ton	\$18.75/ton
Annual Conditional Major Review Fee	\$250 to \$2,000, depending on allowable emissions	\$1,000 to \$5,000, depending on allowable emissions
Annual Base Fee	None	\$475 per facility
Construction Permit Fee	\$100 to \$5,000 per application, depending on emissions listed in application	\$200 to \$5,000 per application, depending on emissions listed in application
Modification Permit Fee	50% of Construction Permit Fee, depending on emissions listed in application, not to exceed \$500	50% of Construction Permit Fee, depending on emissions listed in application, not to exceed \$2,500

Strawman #2

Flat Base Fee and Variable Conditional Major Review Fee

- Similar to Strawman #1, but with Fixed Base Fee instead of Base Fee that varies with Allowable Emissions

Fee System Statistics	Current Fee System	Strawman #2
Average Annual Fee - True Minor Source*	\$1,097/yr	\$1,572/yr
Minimum Annual Fee - True Minor Source*	\$186/yr	\$661/yr
Maximum Annual Fee - True Minor Source*	\$22,160/yr	\$22,635/yr
Average Annual Fee - Conditional Major Source**	\$3,220/yr	\$5,422/yr
Minimum Annual Fee - Conditional Major Source**	\$436/yr	\$1,661/yr
Maximum Annual Fee - Conditional Major**	\$11,592/yr	\$14,067/yr

*Current System Includes Emissions Fee; Strawman Includes Emission Fee + Base Fee

**Current System Includes Emission Fee + CM Review Fee; Strawman Includes Emission Fee + Base Fee + CM Review Fee

Strawman #3

Variable Base Fee and Flat Conditional Major Review Fee

	Current	Strawman #3
Annual Emissions Fee	\$18.75/ton	\$18.75/ton
Annual Conditional Major Review Fee	\$250 to \$2,000, depending on allowable emissions	\$2,700 per facility
Annual Base Fee	None	\$250 to \$1,000 per facility, depending on allowable emissions
Construction Permit Fee	\$100 to \$5,000 per application, depending on emissions listed in application	\$200 to \$5,000 per application, depending on emissions listed in application
Modification Permit Fee	50% of Construction Permit Fee, depending on emissions listed in application, not to exceed \$500	50% of Construction Permit Fee, depending on emissions listed in application, not to exceed \$2,500

Strawman #3

Variable Base Fee and Flat Conditional Major Review Fee

- Similar to Strawman #1, but with Fixed CM Review Fee instead of CM Review Fee that varies with Allowable Emissions

Fee System Statistics	Current Fee System	Strawman #3
Average Annual Fee - True Minor Source*	\$1,097/yr	\$1,502/yr
Minimum Annual Fee - True Minor Source*	\$186/yr	\$436/yr
Maximum Annual Fee - True Minor Source*	\$22,160/yr	\$23,160/yr
Average Annual Fee - Conditional Major Source**	\$3,220/yr	\$5,639/yr
Minimum Annual Fee - Conditional Major Source**	\$436/yr	\$3,136/yr
Maximum Annual Fee - Conditional Major**	\$11,592/yr	\$13,292/yr

*Current System Includes Emissions Fee; Strawman Includes Emission Fee + Base Fee

**Current System Includes Emission Fee + CM Review Fee; Strawman Includes Emission Fee + Base Fee + CM Review Fee

Strawman #4 - Lower Variable Base Fee, Variable CM Review Fee, and Higher Construction & Modification Fees

	Current	Strawman #4
Annual Emissions Fee	\$18.75/ton	\$18.75/ton
Annual Conditional Major Review Fee	\$250 to \$2,000, depending on allowable emissions	\$1,000 to \$5,000, depending on allowable emissions
Annual Base Fee	None	\$200 to \$500 per facility, depending on allowable emissions
Construction Permit Fee	\$100 to \$5,000 per application, depending on emissions listed in application	\$700 to \$7,500 per application, depending on emissions listed in application
Modification Permit Fee	50% of Construction Permit Fee, depending on emissions listed in application, not to exceed \$500	50% of Construction Permit Fee, depending on emissions listed in application, not to exceed \$3,750

Strawman #4 - Lower Variable Base Fee, Variable CM Review Fee, and Higher Construction & Modification Fees

- Similar to Strawman #1, but with Higher Construction Permit Fee and Modification Fee and Lower Base Fee (which varies based on allowable emissions)

Fee System Statistics	Current Fee System	Strawman #4
Average Annual Fee - True Minor Source*	\$1,097/yr	\$1,380/yr
Minimum Annual Fee - True Minor Source*	\$186/yr	\$386/yr
Maximum Annual Fee - True Minor Source*	\$22,160/yr	\$22,660/yr
Average Annual Fee - Conditional Major Source**	\$3,220/yr	\$5,335/yr
Minimum Annual Fee - Conditional Major Source**	\$436/yr	\$1,386/yr
Maximum Annual Fee - Conditional Major**	\$11,592/yr	\$14,092/yr

*Current System Includes Emissions Fee; Strawman Includes Emission Fee + Base Fee

**Current System Includes Emission Fee + CM Review Fee; Strawman Includes Emission Fee + Base Fee + CM Review Fee

Comparison of Strawmen Base Fee

Facility Emissions	Current	SM#1	SM#2	SM#3	SM#4
0 <= tons < 10	\$0	\$250	\$475	\$250	\$200
10 <= tons < 25	\$0	\$250	\$475	\$250	\$200
25 <= tons < 50	\$0	\$250	\$475	\$250	\$200
50 <= tons < 100	\$0	\$500	\$475	\$500	\$350
100 <= tons < 150	\$0	\$500	\$475	\$500	\$350
150 <= tons < 250	\$0	\$1,000	\$475	\$1,000	\$500
250 <= tons < 500	\$0	\$1,000	\$475	\$1,000	\$500
500 <= tons < 1000	\$0	\$1,000	\$475	\$1,000	\$500
1000 <= tons < 5000	\$0	\$1,000	\$475	\$1,000	\$500
tons >= 5000	\$0	\$1,000	\$475	\$1,000	\$500

Comparison of Strawmen Conditional Major Review Fee

CM Review Fee	Current	SM#1	SM#2	SM#3	SM#4
0 <= tons < 10	\$250	\$1,000	\$1,000	\$2,700	\$1,000
10 <= tons < 25	\$250	\$1,000	\$1,000	\$2,700	\$1,000
25 <= tons < 50	\$250	\$1,000	\$1,000	\$2,700	\$1,000
50 <= tons < 100	\$500	\$2,000	\$2,000	\$2,700	\$2,000
100 <= tons < 150	\$1,000	\$3,000	\$3,000	\$2,700	\$3,000
150 <= tons < 250	\$1,000	\$3,000	\$3,000	\$2,700	\$3,000
250 <= tons < 500	\$2,000	\$4,000	\$4,000	\$2,700	\$4,000
500 <= tons < 1000	\$2,000	\$4,000	\$4,000	\$2,700	\$4,000
1000 <= tons < 5000	\$2,000	\$4,500	\$4,500	\$2,700	\$4,500
tons >= 5000	\$2,000	\$5,000	\$5,000	\$2,700	\$5,000

Comparison of Strawmen Construction Permit Fee

Const. Permit Fees	Current	SM#1	SM#2	SM#3	SM#4
0 <= tons < 10	\$100	\$200	\$200	\$200	\$700
10 <= tons < 25	\$500	\$1,000	\$1,000	\$1,000	\$1,500
25 <= tons < 50	\$500	\$1,500	\$1,500	\$1,500	\$2,000
50 <= tons < 100	\$500	\$2,000	\$2,000	\$2,000	\$3,000
100 <= tons < 150	\$1,000	\$2,500	\$2,500	\$2,500	\$4,000
150 <= tons < 250	\$1,000	\$3,000	\$3,000	\$3,000	\$5,000
250 <= tons < 500	\$2,000	\$3,500	\$3,500	\$3,500	\$6,000
500 <= tons < 1000	\$3,000	\$4,000	\$4,000	\$4,000	\$7,000
1000 <= tons < 5000	\$4,000	\$4,500	\$4,500	\$4,500	\$7,500
tons >= 5000	\$5,000	\$5,000	\$5,000	\$5,000	\$7,500

Comparison of Strawmen Modification Permit Fee

Source Mod Fee	Current	SM#1	SM#2	SM#3	SM#4
0 <= tons < 10	\$50	\$100	\$100	\$100	\$350
10 <= tons < 25	\$250	\$500	\$500	\$500	\$750
25 <= tons < 50	\$250	\$750	\$750	\$750	\$1,000
50 <= tons < 100	\$250	\$1,000	\$1,000	\$1,000	\$1,500
100 <= tons < 150	\$500	\$1,250	\$1,250	\$1,250	\$2,000
150 <= tons < 250	\$500	\$1,500	\$1,500	\$1,500	\$2,500
250 <= tons < 500	\$500	\$1,750	\$1,750	\$1,750	\$3,000
500 <= tons < 1000	\$500	\$2,000	\$2,000	\$2,000	\$3,500
1000 <= tons < 5000	\$500	\$2,250	\$2,250	\$2,250	\$3,750
tons >= 5000	\$500	\$2,500	\$2,500	\$2,500	\$3,750



Non-Title V Fee Analysis Tool

Permit Modifications

- **Definition** - A physical or operational change of an air contaminant source which increases the amount of regulated air contaminant emitted or which results in the emission of a regulated air contaminant not previously emitted.
- **A New Construction Permit is Required.** Payment of Construction Permit Fee when the Application is Submitted
- **Permit Modification Examples –**
 - Increase production rate above permitted limit or above design capacity provided in permit application
 - Increase emission rate
 - Addition of a new coating line if it will use the same control device as the existing line

Permit Amendments

- Existing Construction Permit Amended
- Currently NO Fees Required
- Examples:
 - Extend the expiration date (construction permits only, 63 requests in FY17)
 - Change of ownership
 - Facility name change
 - Add or revise a monitoring parameter (i.e., change minimum pressure drop)
 - Address change due to revision of street number (for e-911) or street name (not a change in location, which requires a new construction permit)
 - Remove a source(s) from a multi-source construction or operating permit
 - Extend a testing deadline
 - Correct typographical errors made by the Division

Permit Amendments Fee Option

- Construction Permit Amendment Request Filed by an Applicant may incur an Application Fee
 - No Fee Required for Permit Amendment Initiated by Division of Air Pollution Control (e.g., to correct an error made by DAPC)
 - Fee Due with Request/Application
- In Fiscal Year 2017, APC issued 77 amendments of construction permits to non-Title V sources

General Permit Fee Option

- Currently no Fee Charged for General Permits
- General Permit Fee Option
 - Specific Fees Set for Each General Permit Type
 - Construction Permit Fee and Annual Emission Fee Less than that for a Traditional Permit

Visible Emissions Evaluation Course (Smoke School) Fees

- Current Fees
 - Initial Certification Tennessee Applicant - \$125.00
 - Initial Certification Out-of-State Applicant - \$175.00
 - Recertification Tennessee Applicant - \$95.00
 - Recertification Out-of-State Applicant - \$125.00
- Payment is due when registering for Smoke School (held twice per year per the EPA Method 9 certification requirements)
- Proposed Fees
 - Initial Certification - \$180.00
 - Recertification - \$150.00
- Current Amount Collected ~ \$23,825/yr
- Estimated Collections with Proposed Fees ~ \$37,040/yr

We Want Your Input

- Respond to survey provided by web link via email and on the Non-Title V fee website by Wednesday, June 27, 2018
 1. Select a Preference of Strawman:
 - # 1 – Variable Base Fee and Variable Conditional Major Review Fees
 - # 2 – Flat Base Fee and Variable Conditional Major Review Fees
 - # 3 - Variable Base Fee and Flat Conditional Major Review Fees
 - # 4 – Lower Variable Base Fee, Variable Conditional Major Review Fees, and Higher Construction & Modification Fees
 2. Questions about other services & fees
- Submit comments and questions via email to:
 - air.permitting.permits@tn.gov
 - Include phrase “non-Title V fees” in subject line of email
- Small businesses may contact Tennessee’s Small Business Environmental Assistance Program at:
 - bgsbeap@tn.gov

Non-Title V Fee Website

- <https://www.tn.gov/environment/program-areas/apc-air-pollution-control-home/apc/permits-air/permit-fees/non-title-v-permit-fees.html>
- Go to www.tn.gov/environment
 1. Select “Permitting”
 2. Select “Air Permits”
 3. Select “Permit and Annual Emission Fees”
 4. Select “non-Title V Annual Fees ” or “Construction and Modification Application Fees”

Stakeholder Process Continues

Face-to-Face Meetings at TDEC Environmental Field Offices:

- Jackson, 6/18/2018, 9:00 am central time
- Knoxville, 6/20/2018, 9:00 am eastern time
- Nashville, 6/22/2018 , 9:00 am central time

Rulemaking Process – Tentative Time Frame

- Initial Board Briefing – 3/14/18
- Stakeholder Process – April through July, 2018
- Second Board Briefing with proposed rule – 8/8/2018
- Public Notice with Proposed Rule – No Later than 8/22/2018
- Webinar to Discuss Proposal ~ two weeks after public notice
- Public Hearing – 10/16/2018
- Board Adoption – 11/14/2018
- File with Secretary of State – No Later than 1/16/2019
- Effective Date of Rule – 4/16/2019
- Change in Fees Effective FY2020 (starts 7/1/2019)

Questions

